



SO ORDERED.

SIGNED this 29th day of June, 2015.


LENA MANSORI JAMES
UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA
GREENSBORO DIVISION

IN RE:)	
)	
TURNKEY PRODUCTS, LLC,)	CASE NO. 15-10411
)	
)	Chapter 11
Debtor.)	
_____)	

CONSENT ORDER AUTHORIZING THE MOVING OF
CERTAIN PROPERTY

THIS MATTER coming before the United States Bankruptcy Court for the Middle District of North Carolina upon the Motion of Turnkey Products, LLC, the Debtor-in-Possession herein (the "Debtor" or "Turnkey"), for the entry of a Consent Order Authorizing the Moving of Certain Property (the "Motion"). Based upon the record in this case, the pleadings filed, and the consent of the parties as shown below, the Court makes the following Findings of Fact:

1. On April 17, 2015 (the "Petition Date"), the Debtor filed a voluntary petition for relief under Title 11 Chapter 11 of the United States Bankruptcy Code.
2. This Court has jurisdiction over this case pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this District pursuant to 28 U.S.C. § 1409(a).
3. Turnkey has been in business since 1998, designing and importing home office furniture from China and Vietnam. Turnkey sells its products to furniture retailers across the United States through multi-lined, independently contracted salespeople or sales groups. Shipments of products are made directly to retailers from Turnkey's Asia source factories via full direct container shipments. Additionally, Turnkey warehouses finished goods at Zenith Global Logistics facilities located in Conover, North Carolina, Riverside, California, and Indianapolis, Indiana. These inventories are purchased by retailers that purchase less than container load

shipments. Turnkey maintains two trade only showrooms in High Point, North Carolina (the “High Point Showroom”) and in Las Vegas, Nevada (the “Las Vegas Showroom”).

4. South Asia Furniture Manufacturing Company (“South Asia”) claims liens in the Debtor’s inventory that was located, as of the Petition Date, in the High Point Showroom (such inventory, the “High Point Showroom Inventory”) pursuant to a pre-petition levy and execution on that inventory.

5. On May 29, 2015 this Court entered a Final Order (1) Authorizing Debtor-in-Possession to Obtain Financing and Factoring, Grant Security Interests and Accord Priority Status Pursuant to 11 U.S.C. §§ 361, 364(c) and 364(D); and (2) Modifying Automatic Stay (Doc. #69) (the “Final Order”). In the Final Order, this Court ordered the Debtor not to sell the High Point Showroom Inventory, or to remove the High Point Showroom Inventory from its current location, pending further order of this Court.

6. Capital Business Credit LLC is both the pre-petition and post-petition lender to the Debtor (Capital Business Credit LLC, in its capacities as both the pre-petition and post-petition lender to the Debtor, hereinafter called the “Lender”) holds legal, valid, binding, enforceable, perfected and unavoidable security interests in all of the Debtor’s pre-petition and post-petition inventory, including, without limitation, the High Point Showroom Inventory.

7. The Debtor is preparing for the Las Vegas furniture market that begins in August 2015. Certain of the items of inventory included in the High Point Showroom Inventory remain in the Debtor’s current product line that it intends to show and offer for sale at the upcoming Las Vegas furniture market. The Debtor is not able to acquire such items of inventory from the manufacturers and have them shipped to the Las Vegas showroom in time for the Las Vegas furniture market. Likewise, these items of inventory are not available in the Debtor’s warehouses in North Carolina or California.

8. The Debtor is in need to move that part of the High Point Showroom Inventory that are itemized in Exhibit A attached to the Motion (the “Moved Inventory”) from the High Point Showroom to the Las Vegas Showroom. The Moved Inventory has a combined cost of \$19,380.78.

9. If the Debtor is not able to timely move the Moved Inventory from the High Point Showroom to the Las Vegas Showroom in time for display to customers at the upcoming Las Vegas furniture market, the Debtor’s anticipated sales at the market would substantially decrease and the estate would be irreparably harmed.

10. The Lender holds legal, valid, binding, enforceable, perfected and unavoidable security interests in the Moved Inventory. South Asia claims a lien in the Moved Inventory and the validity and non-avoidance of that lien is disputed.

11. Both the Lender and South Asia have consented to the Debtor’s moving the Moved Inventory from the High Point Showroom to the Las Vegas Showroom, subject to the terms of the Final Order as modified by this order.

12. The Bankruptcy Administrator's Office does not oppose the relief requested in the Motion or the entry of this order on an ex parte basis.

13. Based upon the records available to the Debtor, no other party has claimed, or could claim a security interest or ownership interest in the Moved Inventory. As a result, all parties in interest have consented to the relief requested in the Motion.

14. Moving the Moved Inventory from the High Point Showroom to the Las Vegas Showroom is in the best interests of the Debtor, its estate and all creditors and interested parties, in that it will enable the Debtor to generate additional sales, enhance its profitability and increase the likelihood of a successful reorganization.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED, by and with the consent of the Debtor, the Lender and South Asia, as follows:

1. The Debtor is authorized to move the Moved Inventory from the High Point Showroom to the Las Vegas Showroom. Notwithstanding such relocation, the Debtor shall continue to be prohibited from selling the Moved Inventory pending further order of this Court.

2. The Lender's and South Asia's security interests and liens in the Moved Inventory shall not in any way be affected or modified by the moving of the Moved Inventory from the High Point Showroom to the Las Vegas Showroom, and the validity, enforceability, non-avoidance and priority of the Lender's and South Asia's security interests and liens in the Moved Inventory shall continue with the same force and effect as they had before the Moved Inventory was moved as authorized by this order.

3. Nothing contained in this Order shall constitute a determination by this Court that South Asia has a valid, enforceable or non-avoidable lien in the Moved Inventory or, as between the Lender and South Asia, the priority of their respective liens and security interests in the Moved Inventory.

4. The Debtor shall maintain accurate records of the Moved Inventory and shall conspicuously tag or mark each item of the Moved Inventory so that it may be readily identified as being an item of the Moved Inventory and distinguishable from the other inventory in the Las Vegas Showroom.

Agreed and consented to this 29th day of June, 2015.

/s/ Clint Morse

Clint Morse

NC Bar No. 38384

Attorney for South Asia Furniture
Manufacturing Company

Agreed and consented to this 29th day of June, 2015.

/s/Justin W. Kay

Justin Kay

NC Bar No. 42968

Attorney for the Debtor

Agreed and consented to this 29th day of June, 2015.

/s/Kenneth M. Greene

Kenneth M. Greene

NC Bar No. 5465

Attorney for Capital Business Credit LLC

END OF DOCUMENT

Parties to be Served; 14-11410

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